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Original to be Filed in _____		Decentralized Files.	FILE DESIGNATION
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HANDLING INDICATOR		NO.	
TO : Department of State DEPARTMENT OF STATE A/CDC/MR REVIEWED BY S. Rockwell DATE 6/10/72 PORTIONS DENIED AS INDICATED		RECEIVED DEPARTMENT OF STATE JUN 23 8 30 AM '72 RS/AN ANALYSIS BRANCH DATE: June 5, 1972 RSP	
FROM : Amembassy KABUL			
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REF :			

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The enclosed paper (Enclosure 1) is the product of participants in the 1972 Policy Review Conference for Afghanistan, held at the USAID Staff House in Kandahar April 21-24. The Kandahar meeting was the first step in the process of reviewing United States policy toward Afghanistan, in the light of changing circumstances within the country as well as shifts in power relationships in the Central-South Asia region.

The report, it should be emphasized, is not a cleared Mission or Country Team paper. Any Mission recommendations for new initiatives or policy changes will be submitted by the Ambassador at a later date. Readers, however, should find this report useful for the insights and analysis it offers into Afghanistan's internal and external situation as seen from Kabul. It will provide background for subsequent policy recommendations--which, of necessity and for brevity's sake, will not include extensive analysis of the Afghan social/political/economic setting.

The report illustrates the value of tapping the collective experience and wisdom of a wide range of officers from all elements of the Mission. This Kandahar Conference, like a predecessor gathering in late 1970, was organized at the Ambassador's direction to permit

- Enclosures:
1. "Report of the Kandahar Conference"
 2. Kandahar Conference Participants
 3. Ambassador's Memorandum to Participants
 4. Agenda for Kandahar Conference

Drafted by		Drafting Date		Phone No.		Contents and Classification Approved by	
POL:APSchifferdecker/DCM:SWLewis:map		5/31/72				DCM:SWLewis	
Clearances:							
POL:WAHelseh							

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a leisurely, thorough examination of all aspects of U.S. policy toward Afghanistan, free from inhibition or concerns of bureaucracy and hierarchy.

Mr. C. Edward Bernier (FSS-4), Information Center Director at USIS, and Mr. Charles L. Husick (FSR-4), Program Officer at USAID, were asked by the Ambassador to serve as Co-Chairmen and organizers for the Conference. They invited the other participants (listed in Enclosure 2) from all major USG agencies in Kabul, excluding at the Ambassador's request only agency heads and deputies. Participants ranged from junior officers to heads of sections and included a cross section of talent from all parts of the Mission below the senior level.

The Conference Agenda (Enclosure 4) was developed independently by the Co-Chairmen after preliminary consultation with the Ambassador and DCM. The Conference Report is primarily the work of Mr. James M. Hawley III (FSO-5), Economic and Commercial Officer, with contributions from many participants.

After completion of the Report, the Ambassador chaired an all-day discussion of it, attended by Country Team members who did not attend the Kandahar Conference, plus several of the Kandahar participants. Conclusions drawn from that discussion will be reflected subsequently in whatever policy recommendations he may later submit.


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UNITED STATES MISSION IN AFGHANISTAN

1972 Policy Review

REPORT OF THE KANDAHAR CONFERENCE

April 21 - 24, 1972

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however, carefully avoids sending units against their

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I. Summary - Afghanistan has no direct value to the security, political or economic welfare of the United States. American interests are indirect, regional, and limited. U.S. specific concerns result from Afghanistan's potential but improbable role in a Soviet scheme to achieve dominance in central-south Asia; from the danger of active Afghan pursuit of Pashtunistan, and from the country's small stabilizing effect in the still dangerous sub-continental situation.

Afghanistan is still one of the world's least-developed countries. Powerful barriers including cultural and religious inertia and increasingly indecisive leadership still effectively block much needed change. But new interest groups such as the private sector and university students are making their desires for progress clear by taking strong action.

In 1972 the domestic situation is uncertain.

[REDACTED] Despite some encouraging efforts during the last six months, the present Prime Minister and government could be evicted within a year by popular discontent and parliamentary disapproval. It is quite possible that the ruling group would then alter its domestic political course from that followed since the beginning of the "Experiment in Democracy". The national economy continues to be basically dependent and weakening, despite greater precipitation during the past several months.

In foreign affairs, Afghanistan is almost absolutely weak and dependent on the Soviet Union. The leadership continues a policy of offsetting that dependence by encouraging extensive US/western presence and assistance. Afghan relations with the United States remain close and good but the present approach of the leadership

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In foreign affairs, Afghanistan is almost absolutely weak and dependent on the Soviet Union. The leadership continues a policy of offsetting that dependence by encouraging extensive US/western presence and assistance. Afghan relations with the United States remain close and good but the present approach of the leadership does not promise to achieve the primary United States goal of a self-sufficient nation with enough strength to continue independent and neutral.

Afghan-Pakistani relations are satisfactory as long as survival of present Pakistan and effective Afghan abstention from the Pashtunistan idea are mutual objectives. Afghan-Iranian relations continue to be negative and unrewarding.

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Contacts with India are increasing and could be related to the situation on the sub-continent. Afghan ties with China and western nations other than the United States are not critical but could be more useful to the pursuit of U. S. objectives.

Afghanistan has the human and natural potential to achieve political stability, economic self-sufficiency and reliable national independence.

For the King and leadership group, survival is the first objective with all other goals considered secondary. The result is an excessively cautious governing style which invariably seeks to balance off external and internal forces perceived as threatening the regime's power. Domestically new power groups increasingly press for progress. The leadership seeks to satisfy these and similar external pressure by permitting controlled and gradual change.

The foregoing analyses support several assumptions which should be considered in conceiving and executing American courses of action in Afghanistan. Essentially these assumptions summarize major obstacles and contrasting positive factors in Afghanistan which respectively discourage or promote the success of U. S. actions in support of modernization.

The primary U. S. policy objective is to preserve Afghanistan's sovereignty. Other goals include achievement of national self-sufficiency, prevention of excessive Soviet influence and improvement of Afghanistan's ties with regional states.

Several recommendations are presented specifically relating to Afghanistan's foreign relations. They are designed to confirm or stress present U. S. courses of action and suggest new possibilities which would further U. S. objectives and improve Afghanistan's international position.

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A second set of three recommendations reflect Afghanistan's continued negative results in its national development effort and therefore unsatisfactory returns to American input. They are conceived to increase and accelerate the Afghan contribution and to make better use of dwindling foreign assistance. The first is that specific political consideration be included in the planning and execution of all American actions in Afghanistan. The second recommendation is for inclusion of specific

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performance criteria against time limits in all development programs in Afghanistan. This would be accompanied by explicit advice at the outset that U. S. resources would be reduced or withdrawn should the RGA fail to invest adequate human and material resources in a given project.

The final suggestion is that the U. S. actively seek the leadership's real commitment to development and an RGA initiative to establish working coordination among the bi- and multilateral donors, including the Soviet Union.

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United States Interests in Afghanistan

1. The United States has no direct interest in Afghanistan.

In military terms, Afghanistan, including use of Afghan territory, has no utility to the defense of the United States. Politically, Afghan friendship and support has minimum value, especially in view of the nation's chosen but in any case enforced neutrality and near absolute weakness before Russia.

Economically Afghanistan has neither present nor known potential significance to the United States as a trade partner or source of resources.

2. The United States has a limited and indirect interest in Afghanistan as a minor element in our policy toward central-south Asia.

At present, this interest is based upon a possible but unlikely Soviet course of action or upon a now improbable Afghan determination (with or without Soviet stimulus) to pursue Pashtunistan.

In the first instance, the critical question is: What probability is there for Soviet use of Afghan territory or political support to achieve Soviet hegemony over the subcontinent and Indian Ocean? Clearly deployment of Russian regiments in Afghanistan, with or without RGA content, would create a grave direct threat to Pakistan, Iran and possibly India. The resulting salient would lessen the geographic and psychological gap between the Red Army and the Soviet Indian Ocean Fleet. Soviet dominance would increase. Regional stability would decrease, assuming such a drastic Soviet move had not already been preceded

Assuming a final determination by Washington that the subcontinent is important and worthy of strategic commitment, Soviet military or greatly increased political presence in Afghanistan would clearly be against American interests.

It is difficult, however, to perceive any combination of circumstances which would make such crude, overt, highly visible action essential or desirable to Moscow. At this juncture, India and Bangladesh plus the high seas of the Indian Ocean are preferable political and military approaches to the region than any gesture through Afghanistan. Thus, for the near term, the Soviet Union will choose to avoid the Afghan route, both militarily and politically. Still, it is there, readily available and almost totally defenseless.

The American-Western presence must encourage the Soviet determination not to pawn Afghanistan and strengthen the RGA's resolve to resist any unpleasant alternatives. But Moscow has virtually complete discretion on the matter.

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B. The United States has a limited and indirect interest in Afghanistan as a minor element in our policy toward central-south Asia.

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The second potential for regional trouble would be in an RGA decision to create Pashtunistan. This could occur consciously and unilaterally or in response to greatly

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exacerbated domestic political pressure or following extreme Soviet [redacted] persuasion or some combination hereof. It appears that the Afghan leadership does not now perceive a "southern adventure" as in its interest or within its capacity. Furthermore, sufficient Soviet pressure would probably have to be overt. As mentioned before, there are better ways for the USSR to reach the subcontinent. Domestic pro-Pashtunistan fanatics and parallel elements among Pashtuns south of the Durand line, a largely unorganized and certainly have no specific idea of what Pashtunistan would actually be. The real threat of the notion is small now, but it could grow. United States regional interests would not be served by its pursuit. Thus, it is a serious concern for the U.S. to be well on hand in Kabul to advise strongly against Pashtunistan should the need arise. F
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- C. In terms of its regional policy and the deteriorated situation since mid-1971 the United States has a limited interest in Afghanistan as a neutral, stable, predictable nation-state in central-south Asia. This concern has increased since the last Indian-Pakistani war.

Using a geological metaphor, the December conflict was a major disastrous earthquake. Permanent faults remain stressed in the structure and strong after-shocks should be expected. If American interests are first served, be restoring regional stability, any nation will help our position that moves through the next period with equilibrium. In other words, military adventure, political chaos, or economic collapse in Afghanistan would hurt our regional interest, especially if we want the present version of Pakistan to survive.

Iran is now assuming regional roles reflecting her greater power. But her resources to handle severe foreign problems remain limited. Thus, with complex situations to confront in the Persian Gulf and Iraq, Iran's over-all potential as a strong stabilizing regional power could be damaged by a suddenly erratic or internally distraught Afghanistan.

- D. The United States has a continuing vital global interest in creating a politically stable, economically self-sufficient family of nations, unfortunately a most distant national goal. Despite its remoteness and

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- D. The United States has a continuing vital global interest in creating a politically stable, economically self-sufficient family of nations, unfortunately a most distant national goal. Despite its remoteness and differences from the United States, its weakness, and its enforced neutrality, Afghanistan fully qualifies as a member of that family.

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III. Afghanistan's Situation, Spring, 1972

Internal

A. Although Afghanistan remains one of the world's most conservative, traditional, tribal, and isolated societies, change and modernization are beginning to overtake these inertial factors.

1. Looking at all Afghans as a cultural unit, the society powerfully resists change. In some instances, this is the case even when progressive changes; e.g., revision of the commercial code, health programs, increased tax collection, could be in its own socio-economic self-interest without extensive disruption of highly valued traditional relationships. Some entrenched vested interests such as moneylenders, some landowners, mullahs, and corrupt government officials actively and increasingly resist change.

Tribes and ethnic groups dominate political and economic power. The King, Royal Family, key government and military officials, and powerful private citizens are largely from the Mohammadzai clan of the Pashtun peoples. Pashtuns prevail in agencies of direct political and security power: the military, police, provincial governors.

Barring insurrection or coup, lesser Pashtun groups and the other major ethnic fractions of the society; Hazara, Tadjik, Kirghiz, cannot now attain decisive political or economic power. Certainly, should such a movement appear, the ruling extended family and the Pashtuns would act strongly. A complicating factor is the common suspicion that an accurate census would reveal a Pashtun minority.

Islam is still a powerful element in the Afghan society. Viewed positively, Islamic belief, custom, and law sustain stability, social discipline and resistance to frantic, disordered change. But myopic, xenophobic, illiterate religious belief blocks change even when it is clearly in the believers' interests and would not interfere with their commitment to Islam. In 1972 this intractability still strongly influences a large fraction of the Afghan rural and urban population. Clearly, however, a major difference in view exists among secularly educated Afghans born after WW II. This will be more and more the case especially with respect to women's status and to receptivity to political, social and cultural ideas from outside Afghanistan.

Family, tribe, ethnic origin, and religion remain dominant in determining who runs Afghanistan and how. But other groups oriented along more functional interests are emerging at varying velocities.

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Family, tribe, ethnic origin, and religion remain dominant in determining who runs Afghanistan and how. But other groups oriented along more functional interests are emerging at varying velocities.

2. The Military: Army and Air Force officers are conservative, predominantly Pashtun and logistically dependent on Russia. The military is not an autonomous political force as in Pakistan or some Latin American states, but the King's control of men and fire power

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is essential to the regime's survival. The tribes still anger and the Army has moved against them in small confrontations in recent years. The command, however, carefully avoids sending units against their own tribal brothers. The large, trained, and relatively well educated officer corps and to some extent the troops have been an element in the building of Afghan national identity. Even so, nearly all military officers regardless of rank or age regard their establishment as separate from the rest of Afghan society and are not yet prepared to consider such politically loaded but potentially useful endeavors as civic action.

3. Sub-Cabinet Officials and Civil Service: Youth, exposure to the outside world, and education have resulted in the existence of a growing group of Afghans in government reaching the sub-cabinet level with the genuine management and technical skills needed to make a quantum advance in Afghanistan's performance as a nation-state. Their burning desire to do so is questionable, for greed and apathy are still strong despite training from western universities or heavy doses of socialist economic determinism. Furthermore, the present "system" or "establishment" responding to guidance or lack thereof from the political leadership largely inhibits or even penalize initiative from the ranks. The specific concept of "civil service" is weak and impotent reflecting a general absence of the western philosophy of cooperation for mutual self-benefit.

Nevertheless, these major negative factors should not obscure the fact that human resources exist which, if led properly, could rather quickly constitute the "critical mass" required for any developing country to move ahead.

4. The Private Business Sector: Afghanistan's traditional free-for-all, and remarkably efficient, bazaar economy plus the encouragement of the 1967 Investment Law make the private sector relatively fertile ground for positive, if gradual, change. Since the Law was passed, more than 70 new industrial or service enterprises have started operations under its provisions. A small thing, but the April 1972 "Invest in Afghanistan" Exposition not only demonstrated the progress made by the private industrial sector but, coupled with follow-on efforts to form an investors' association, showed a desire to act together for the group's self-interest, a rare phenomenon in Afghanistan. However, many problems remain. Key ingredients essential for an effective private sector

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In spite of the above progress, the Government has yet to make a clear decision as to how much latitude to allow to the private sector, and how much protection is to be granted the existing, inefficient public sector, and Government and quasi-Government monopolies. Until these decisions are forthcoming and are favorable to the

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private sector, progress will be limited. Afghanistan will be agrarian for the foreseeable future, so the contribution of the industrial sector to the over-all economy, and especially the problem of employment, will be limited. Thus, the modernizing, social and political effects of an expanding Afghan private sector will be more important than the economic effects. In any event, Afghan businessmen want a modern nation because it would help them make money.

5. Students and Youth: Afghans under twenty-five are clearly the key group to accept or perhaps force possible immediate and certainly eventual changes in the whole society. They already march to different drums and will surely survive those who would slow or reverse trends.

Over the past six months, the Kabul University strike focussed the attention of the Government and others on the University students who must include future cabinet ministers among their numbers. The affair simultaneously reflected well and poorly on the students. Their intense desire for a fine education was hardly evident in their attacks on regulations designed to improve Kabul University academic standards. But politicized campus factionalism and an overriding unspecified concern for the state of the nation were also powerful stimulants for student action. It is a certainty that the student action reflected real but virtually unexpressed discontent among the general population. Although insufficiently committed and ruthless to extract martyrs from the police a la Paris, Mexico City, Tokyo or Chicago, the students' demonstrations reflected a generational syndrome now familiar worldwide after 15 years of confrontations followed by eventual albeit sometimes sullen reconciliation. Things never emerged the way they were before.

Meanwhile the attitude of the Government was paradoxically both discouraging and progressive. During the strike's early period, the Government appeared unconcerned or even unaware of the University's existence, apparently ignoring the fact that a collection of people without a single university can hardly claim nationhood. After the King and Government focussed on the political meaning of the strike, their approach was apparently moderate and comprehending, even though possibly not in the medium term interests of the University.

The outcome of the strike remains for the future, but it was a significant act of assertion by Afghan youth.

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The outcome of the strike remains for the future, but it was a significant act of assertion by Afghan youth. They did not get shot and they had their way. They will do more.

6. The General Population: Most Afghans are illiterate and poor. Cultural variety is very limited; it is probably boring to be an Afghan. For the rural population, a harsh land, Islam and the agrarian cycle dominate life, but they are increasingly aware of roads, tractors, radios, fertilizer and new wheat varieties.

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In the cities, unemployment and living conditions unspeakable by any standards-are average for many. In Kabul, Afghans, however, see new schools, movies, Coca Cola, modern factories and ladies boutiques. Unless they are unique among the world's people, they want more of those things and the changes they represent. Older Afghans may fear change and younger one are most uncertain how to bring it about, but the desire will grow. Still the price and availability of nan remains a critical factor in the life of most Afghans.

B. Barring progressive decisions or very good luck, the survival of the present Government for more than another year is problematical. The economy continues to perform miserably and depends on international political welfare. With more water, the short-term (eight months) economic outlook is better.

1. In April 1972 the political situation is complex and uncertain. The position of King and ruling group appears solid but the situation and future of Prime Minister Zahir's government is difficult to assess. Compared to the zero initiative inefficiency of the preceding group, the present Government attacked the drought-caused food shortage last fall and winter with unprecedented energy. Despite wasteful inter-ministerial conflicts and managerial defects, the fact remains that the Afghan Government acted. The King cancelled most of the Jeshyn celebration. Small and temporary, but it happened.

The Government took some steps to deal with its predecessor's nearly total lack of cooperation w from Parliament.



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In Kabul, Afghans, however, see new schools, movies, Coca Cola, modern factories and ladies boutiques. Unless they are unique among the world's people, they want more of those things and the changes they represent. Older Afghans may fear change and younger one are most uncertain how to bring it about, but the desire will grow. Still the price and availability of nan remains a critical factor in the life of most Afghans.

B. Barring progressive decisions or very good luck, the survival of the present Government for more than another year is problematical. The economy continues to perform miserably and depends on international political welfare. With more water, the short-term (eight months) economic outlook is better.

1. In April 1972 the political situation is complex and uncertain. The position of King and ruling group appears solid but the situation and future of Prime Minister Zahir's government is difficult to assess. Compared to the zero initiative inefficiency of the preceding group, the present Government attacked the drought-caused food shortage last fall and winter with unprecedented energy. Despite wasteful inter-ministerial conflicts and managerial defects, the fact remains that the Afghan Government acted. The King cancelled most of the Jeshyn celebration. Small and temporary, but it happened.

The Government took some steps to deal with its predecessor's nearly total lack of cooperation w from Parliament.



The King's historic balancing approach to internal and external affairs no doubt reflects shrewd analysis and an advised conclusion on his limited power. Decisive authority is very heavily dispersed among the tribes, mullahs, Army Commanders, owners of capital, and possibly students. It is not so dilute, however, that the King could not make the hard political decisions necessary for economic progress so long as he first carefully considered the interests of each important faction. Thus, domestically, it is hard to believe he or his Government could not marshal sufficient raw political support to move on such projects as better food distribution, collection of currently due taxes or creation of an effective tourist program. It would require intestinal fortitude and hard work.

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2. Afghanistan's economic situation is worsening. Foreign debt service is growing faster than foreign exchange earnings. Productivity remains essentially stagnant. Nations do not go bankrupt, however, and the debt problem could be an opportunity if the RGA and the creditor nations approach it positively. In the very short run, heavy 1971-72 precipitation will bring a considerably better crop and should relieve the general malaise resulting from two years' drought.

The country believes the drought is broken; therefore, to a considerable extent, it is. Among the economic leadership, the business community, and the populace, there should develop a short-term optimism (next winter could be dry). This can encourage progressive action or, more true to form, complacency.

3. Thus compared to mid-1971, there is great political uncertainty with the economy basically unchanged. At the outset in August, 1971, some observers believed the Zahir Government would be the last in the "Experiment in Democracy" series, especially if it failed in the Etemadi manner. It still seems probable that His Majesty's domestic political course will change if this Government resigns in similar disarray. The political background and orientation of a new Cabinet is impossible to predict accurately but consideration of the alternative possibilities is important to the future of American programs. One would be for the ruling group to plunge ahead with the Experiment in Democracy by appointing a more activist Government and signing the long pending political parties legislation. This might respond to the growing discontent in the country but it could be premature and would be contradictory to the King's generally cautious and conservative approach. A second alternative would be the King's determination to evade partially the Constitution and return to an authoritarian government in the Prince Daud mold. This might result from prevailing apprehension of domestic disorder and strong foreign pressure for action on chronic economic ills. A third, but by no means final, possibility would see the next government reorganization result in a Cabinet more oriented to central planning, partially in response to Soviet pressure as a major creditor and co-drafter of the Fourth Five-Year Plan.

C. External

1. Afghanistan is a militarily and politically neutral nation effectively

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C. External

1. Afghanistan is a militarily and politically neutral nation effectively dependent on the Soviet Union. Although its geographic location has some regional influence, Afghanistan has neither the human nor natural resources to influence decisively any other nation. Full stop.
2. Afghanistan's ties with the Soviet Union are both natural and enforced.

Regardless of Russian politics or world role, Afghanistan has a natural political, economic, commercial, and cultural relationship with Russia. Any effort on the part of other nations to reduce Soviet-Afghan relations below this natural level would be contrary to the interests.

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of both and the resulting situation could not persist indefinitely.

Beyond these pedestrian relations between adjoining countries is a relationship forced upon Afghanistan by the Soviet Union's historic expansion as a great world power and pursuit of the Marxist-Leninist theory. There is no basis to exclude Afghanistan from any plan now operative in the Kremlin for world dominance and eventual creation of a global socialist society, notwithstanding the probability that Afghans would make poor communists.

The natural relationship is represented by traditional trade for centuries and friendly treaty relations for over 50 years. The enforced relationship is embodied by Afghanistan's mid-50's decisions to accept large Soviet economic assistance and to make its military forces totally dependent on Soviet supplies and, to a large extent, training.

Afghanistan's historically independent and lone position in the world sets a psychological line which Moscow cannot cross unless it overtly decides to make Afghanistan a defacto satellite or annex it.

The key question is what is Soviet policy now toward Afghanistan. We do not know. The best conclusion appears to be that Moscow sees its best interest served by maintaining Afghanistan as an economically weak state dependent on Soviet trade and assistance. In the Soviet view, this makes Afghanistan a dependable unit on the Soviet border and a useful buffer state between Russian soil and the unpredictable, high-risk nations further south. Beyond that, Afghan economic dependence enhances the country's vulnerability to possible use by Russia as a military and political base in central-south Asia.

A contrary analysis is that the Soviet Union believes its natural and now firmly established enforced relationships with Afghanistan give it sufficient long-term leverage over Afghan affairs. On the other hand, Afghanistan's continued wretched performance as an economic development project is a drain on Russian resources; a poor example of Soviet foreign assistance, especially among the Islamic states; and a potentially unpredictable political unit should present conservative leadership abdicate before frustrated and unsatisfied domestic forces. Thus, despite the risk that an economically self-sufficient Afghanistan might act contrary to Russian vital interests, the Russians would like to see Afghanistan at least able to feed and clothe itself, pay its bills, and become a working neighbor in a trade sense with the Soviet Union.

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3. Whatever Moscow's motivation, Soviet near-term plans will not change the present Afghan-Soviet relationship.

The aforementioned potential for Soviet use of Afghan territory to pursue an aggressive subcontinental policy still exists. Moscow probably sees this course as politically dangerous and uncertain of success. For the near period, the Russians prefer to work on the subcontinent through their strong relations with India and thereby Bangladesh and to pursue the Asian collective security notion.

4. Afghanistan has a natural desire and need for a strong relationship with the West and specifically with the United States.

Afghanistan's history and even a shallow observation of its national character clearly show the people's strong desire for as much independence and freedom of action as they can have. For reasons somewhat difficult to ascertain, Afghan leadership and educated people prefer western ideas and ways of doing things. However, they resist any foreign ideas, regardless of origin, that threaten the essence of Afghan culture. Although the results have been mixed in terms of Afghan interests, there are historic ties with the Germans, British, French, and other western nations, plus new and strong relationships with Americans and Japanese.

In the context of Afghanistan's relationship to the Soviet Union, the Afghans want and require balancing power which can only be obtained from the rich west. Western arms assistance, with its implied commitment, is militarily untenable. But political and economic participation in Afghan affairs is feasibly helpful. In the pure cold war period, this assistance was easily obtained as part of the general American policy of maximum confrontation of Soviet power literally everywhere possible. Now, Afghanistan must see the western presence more and more in terms of helping the country eventually reach actual economic self-sufficiency and, therefore, strength to maintain its independence on its own. That circumstance would include strong trade and political ties with European nations and Japan and to a lesser extent with the United States. Afghanistan's relationship with the major European powers and Japanese result from some concern on their part parallel with American objectives, but they reflect very minor national interests and virtually expandable trade relations.

5. China's relations with Afghanistan are normal and not especially significant to other countries.

As slight neighbors, both Afghanistan and China desire concerning American actions, program emphasis, or approaches. The two areas

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As slight neighbors, both Afghanistan and China desire a good working relationship. China extends aid and conversation but in terms of influence compared to the USSR, there is no contest. China must now be working to repair the serious damage in 1971 to her position in the subcontinent. It is difficult to perceive any significant role in that effort for Afghanistan.

6. Afghanistan continues good relations with European nations while Japan pursues an active policy, primarily to sell...

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The historic somewhat emotional relationship with Germany persists. German assistance is hard-nosed and well placed, especially in internal security. Clearly Germany's political interests are very limited as reflected by her cost-benefit attitude toward continuing assistance. German trade and transit ties are important to Afghanistan.

The United Kingdom's position continues to grow more normal with Afghan bitterness receding and softened by British diplomatic skill. France's position is minor but perhaps enhanced by the Royal Family's predilection.

Japan's predictably energetic trade presence may begin to sour if Japan does not buy more Afghan products. Recent exchanges of Royal visits should improve communications. Japan has a small but expanding assistance program.

7. Afghanistan's interests are served best by improving its political and economic ties with the present Pakistan. Active pursuit of a Pashtunistan policy would be harmful to the national interest of each nation and to regional stability.

Afghanistan has a natural political and strong trade relationship with Pakistan. Furthermore, it is highly, albeit exclusively, dependent on Pakistani cooperation for access to the sea. For Pakistan, Afghanistan is a buffer to Russia and a trade partner.

Pashtunistan is the major obstacle to truly normalized Pakistani-Afghan relations. For roughly ten years the issue slowly receded, largely due to the pragmatic near impossibility of the whole idea. There is little real common cause among Pashtuns north and south of the Durand line. Certainly they are not noted for any Swiss-like overriding cohesiveness. Pashtunistan would be a non-starter. Bangladesh, however, revived the matter among emotional Pashtuns. Pashtun accusations of Punjabi discrimination, supported by Bengali experience, plus the possibility that post-war Pakistan will disintegrate anyhow renewed the fanatic call for positive RGA action on Pashtunistan. If complete Pakistani collapse is New Delhi's high policy and the USSR supports, strong pressure on Kabul would come from those quarters. So

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Thus, under present circumstances Afghanistan's course toward Pakistan is in both nations' interests. However, if Pakistan disintegrates into territories of the Punjab, NWFP, and Baluchistan, Afghanistan would probably confront great internal and external pressures to act on Pashtunistan. Such a situation would be highly unpredictable and could risk Afghanistan's survival as presently constituted.

8. Afghanistan's relations with Iran are not critically strained but for neighboring nations they are essentially negative.

Historic suspicion and invidious comparisons are exacerbated by Iran's astounding national success and Afghanistan's continued stagnation. In effect, Afghanistan has enviously watched Iran move to the club of nations who made it. Iran has hardly had the tact as to wave back hello. The email-like Helmand Waters negotiations, the stalled Bandar Abbas idea, and the failure to realize a clear mutually beneficial trade potential all symptomize this basically sour relationship.

Iran's primary interests are in getting rich and tending to her new found power and resultant difficulties to the southwest. Tending off the Russians, however, is a mutual interest with Afghanistan. Despite Tehran's poor view of the already heavy Soviet involvement in Afghan affairs, surely Iran realistically assesses the reason why. Tehran would view any radically increased Soviet presence in Afghanistan with alarm and thus it would appear to be in Iran's interest to promote Afghan economic and political independence and better relations between Kabul and Tehran. However, Afghan suspicion or perhaps psychological inertia is so great that Iranian efforts to resolve Helmand Waters, increase trade, extend cultural or educational opportunities or seek cooperation on narcotics must be implemented with patience. The Bandar Abbas road and port access would clearly be a positive step in Afghan-Iranian relations but must be considered in terms of economic feasibility with its potential effect on both countries' relations with Pakistan.

9. [REDACTED] Afghanistan's relations with India are now somewhat closer but remain unchanged.

India is not Afghanistan's neighbor. Except in the heat and hatred of war with Pakistan, India's interest is largely limited to trade, normal diplomatic exchange, and some economic assistance.

One assumes that summit talks would be difficult if India desires complete dismemberment of Pakistan. However, Pakistan is by no means home free. For that reason, India is probably hedging by improving communications with the Afghan Government through high-level exchanges, intensified trade discussions, and slightly increased aid. The potential for Indian-Afghan cooperation on Pashtunistan is always present; however, there is no evidence at present that this option is being actively pursued.

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10. Afghanistan's approach to all nations with which it has important relations is essentially bilateral.

The King and Government still see their vital interests best served by a policy of balance of foreign power. At this juncture there is little they have to do actively to pursue this policy since tacit lines of demarcation were drawn during the 1950's. Furthermore, neither Russia nor the United States appear likely to change appreciably their present policies and programs.

In view of this basic position and despite their potential benefit, Afghanistan will continue to refuse participation in any regional schemes that carry military or political implications. These would include RCB type schemes, bilateral cooperative efforts such as a Helmand Waters project, and the Soviet collective security proposal.

Ideological and political confrontation still characterize U.S. and Soviet assistance programs. It is likely the Afghans believe they have largely benefitted so far from this situation. Still the country's truly miserable economic returns from relatively massive assistance may make the RGA more receptive to re-assessing its relations with donors now suddenly more apparent as creditors. Thus the probability of debt rescheduling and the problem of maintaining still essential assistance inputs could cause the RGA to become more willing to consider more coordinated and efficient aid.

Whether or not collaboration among donors, principally the US and USSR, would be effective in inducing or forcing the RGA to perform better in economic development is highly problematical but possibly worth the effort. The potential success of such leverage depends on the critical question² to what extent the leadership identifies its interests with those of the nation.

Afghanistan's Potential and the Leadership's Objectives

- A. Afghanistan has the human and natural resources to be economically self-sufficient and politically viable.

The country has sufficient arable land, usually enough water, and sufficient other resources to feed and clothe its people and earn adequate foreign exchange to pay for capital and consumer imports. The King and

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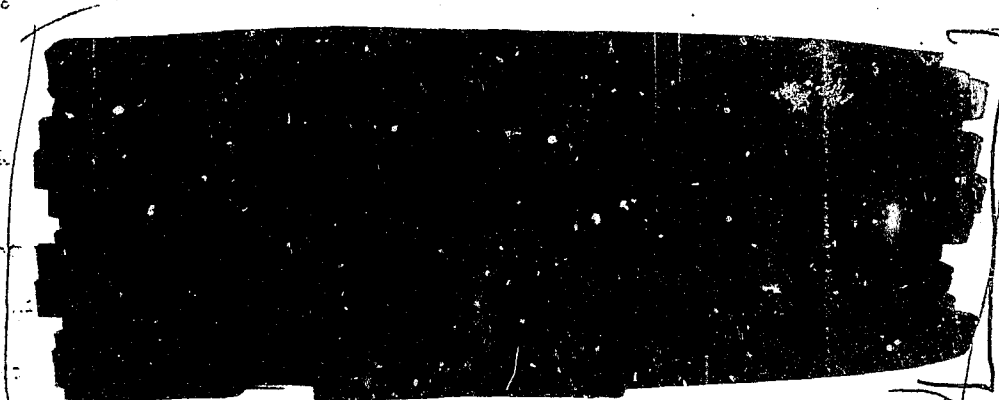
The country has sufficient arable land, usually enough water, and sufficient other resources to feed and clothe its people and earn adequate foreign exchange to pay for capital and consumer imports. The King and present senior leadership have the enlightenment, intelligence, and education to supervise and control national progress.

The now poorly utilized national pool of skilled people and the level of advancement of the general population combine to create the existing human resources which could, in perhaps ten years make those resources reach that goal. Because of Afghanistan's historic independent spirit, geographic isolation, and relative non-involvement in international politics, the nation has an intangible and untapped reserve of good will and interest among the international community which could be converted into greater economic assistance should the leadership display a real desire for progress.

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The missing elements in realizing Afghanistan's potential as a nation-state are national will to develop and courageous visionary leadership.

7. The paramount objective of the King and ruling group is to remain the King and ruling group.



8. As the principal means of achieving ^{its} vital interest in survival, but as a reflection of its essential weakness, the leadership seeks to balance power in domestic and foreign affairs.

Often in domestic affairs and almost invariably in foreign matters, the leadership is too weak to prevail in important questions. As leader of a personal regime in a society with scant history of orderly transfer of power, the King must balance off tribes, ethnic groups, ^{and} mullahs, leftists, private business groups, entrenched government elements lest they collude against him.

In foreign affairs he is absolutely weak, except for the potential use of Afghan territory by the Soviets and possibility of spoiling mischief in Pakistan. In the last analysis he must balance Soviet presence with sufficient Western presence to avoid becoming a red King, something of an anomaly.

Although balance of power remains the leadership's first objective, there may be a growing awareness that the policy's utility could be decreasing. New domestic forces will be increasingly unwilling to accept the status quo. Without national progress, especially economic, there is little the leadership can offer these groups for their acquiescence. Meanwhile, the major donor/creditors may more and more demand development results and their money back. What Afghanistan has to offer politically to either side has relatively little long term value.

A new leadership is growing with development and modernization objectives.

Educated, politicized businessmen, civil servants, and students are acquiring some power to promote change. They know about modern management and technology and

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Educated, politicized businessmen, civil servants, and students are acquiring some power to promote change. They know about modern management and technology and want to see these methods applied.

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- E. The traditional leadership seeks controlled gradual change that will sufficiently satisfy new power groups so that they do not threaten the regime's survival.

The traditional leadership perceived some change especially delegation of power to effective managers in government, as actually inimical to its own power. But with that limitation, the leadership seeks to permit and even promote change at a rate just fast enough to satisfy demand for progress but not too fast to risk loss of decisive control.

United States Assumptions and Objectives in Afghanistan

NOTE: Based on the foregoing analysis and conclusions concerning American interests in Afghanistan and the country's present situation, potential, and objectives, the following section sets out major basic assumptions about Afghanistan which should be kept in mind in formulating programs, followed by statements of general objectives toward Afghanistan.

- A. As a people Afghans are very conservative, fatalistic, largely rural and not yet deeply disaffected by their poor living conditions and very slow improvement in living standards.
- B. The leadership at present is not committed to modernization; however, progressive change is grudgingly accepted if it can be controlled and does not threaten the survival of the Ruling Group.
- C. Though the Ruling Group has been fairly successful in controlling the modernization process, they may be slowly losing their control of this process.
- D. There is a growing sense of nationalism.

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- B. The leadership at present is not committed to modernization; however, progressive change is grudgingly accepted if it can be controlled and does not threaten the survival of the Ruling Group.
- C. Though the Ruling Group has been fairly successful in controlling the modernization process, they may be slowly losing their control of this process.
- D. There is a growing sense of nationalism.
- E. There is a pool of talented individuals who could get the country "moving" except that the Ruling Group does not lead them to do so or consciously holds them back.

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and political

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- F. The Afghan people will increasingly demand social/change, economic improvement and a greater sharing of benefits. This could force the leadership in the unspecified future to commit itself more to development and to begin the painful process of sharing power and responsibility or it could lead to repression.
- G. The Left Wing has pre-empted control over politically conscious youth and the disenchanted, particularly in the capital and some provincial centers. Increasing opposition to this trend by conservative religious forces has already led to violent clashes. If continued this confrontation could produce widespread instability within the country.
- H. The RGA is now capable of maintaining adequate stability necessary for economic and social development.
- I. A strong and loyal military force is a prerequisite for internal stability -- at present, there is no evidence of widespread anti-regime or pro-Communist sentiment in the armed forces.
- J. The RGA has no alternative but to have close relations with the Soviet Union. The RGA probably cannot do anything that the Soviet Union sincerely and genuinely does not wish it to do.
- K. Afghans strongly desire a solid U.S. presence to offset Soviet influence, a significant U.S. presence, and they need the assistance this presence represents more than we need their support. Although the potential is limited, U.S. programs can contribute to countering Soviet influence.
- L. Continued Afghan receptivity to Western ideas, institutions and methods as an indispensable partial balance of Soviet influence.

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VI. Basic U.S. Policy Objectives

- (A) The preservation of Afghanistan's independence and territorial integrity.
- (B) The creation of a viable political and self-sufficient economic system responsive through evolutionary change to the needs and desires of the Afghan people.
- (C) Continued orientation of programs to prevent Soviet influence from becoming so strong that Afghanistan would lose its freedom of action.
- (D) Improvement of Afghanistan's bilateral relationships with Iran and Pakistan.
- (E) Improvement of Afghanistan's regional ties.

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VII. Recommendations

A. Introduction: Based on the statement of American interests, analysis of Afghanistan's present situation, and conclusions on American assumptions and policy objectives, the remainder of this paper presents two sets of recommendations concerning American actions, program emphasis, or approaches. The two areas are: a. courses of action specifically concerning Afghan foreign policy. b. conceptual approaches to American programs in Afghanistan.

B. Recommendations Concerning Afghan Foreign Policy.

Major changes have occurred in relationships among regional nations and great powers in Afghanistan's part of the world. Following the earlier conclusion about Afghanistan's present external situation, the following recommendations concerning Afghan foreign policy explicitly stress present courses of action and suggest new ones.

1. [REDACTED]
2. Support and promote Afghanistan's non-aligned position toward Soviet efforts to establish an Asian collective security system in Asia or any other USSR plan to achieve hegemony in the subcontinent.
3. Promote improved Afghan bilateral ties with Pakistan and Iran, including increased trade ties with Pakistan and improved relations with Iran that could lead to regularized transit arrangements and Afghan access to the Persian Gulf and Western Europe.
4. Explore possibilities to improve Indian-Afghan relations and to increase Indian assistance to Afghanistan.
5. Support efforts of Third Countries such as Japan and Australia to involve themselves in Afghanistan's economic development through expanded investment, commercial ties and economic assistance.

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4. Explore possibilities to improve Indian-Afghan relations and to increase Indian assistance to Afghanistan.
5. Support efforts of Third Countries such as Japan and Australia to involve themselves in Afghanistan's economic development through expanded investment, commercial ties and economic assistance.
6. In an effort to obtain Afghan support for U.S. objectives, support Afghan foreign policy objectives; such as its position of the status of land-locked countries.
7. Encourage increased Afghan participation in international efforts to control production of and trafficking in narcotics; specifically to promote more active Afghan participation in the Committee on Narcotic Drugs; Afghan membership in INTERPOL; and bilateral efforts with Pakistan and Iran to control narcotics

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C. Recommendations concerning United States conceptual approaches in Afghanistan.

1. Introduction: In contrast to recommended changes made in the mid-1971 Mission paper to Washington, the following proposals do not concern details of individual U. S. Government programs. Instead they relate to our general conceptual approach to formulating and executing U. S. programs, projects and diplomatic initiatives. In brief the recommendations outline three concepts:

- a. Strong political content in programming and execution.
- b. Credible firmness to elicit Afghan performance in development.
- c. Coordinated foreign assistance.

The basic ideas behind these concepts are not new. They have been discussed before but not in the context of overall USG and Mission policy guidance or in terms of their potential application to every United States action. The invariable consideration of the first two recommendations in every American program is feasible. In many instances such consideration could increase the value of individual USG efforts to the achievement of overall United States goals.

Application of the third recommendation would be more complex and would require careful consideration of its effect on American long term goals.

It should be pointed out that this presentation makes no attempt to detail the applicability of any or all of these concepts to individual present or future programs. Should these recommendations be adopted, each current and proposed program would require special analysis to determine whether use of the concepts would

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- b. Credible firmness to elicit Afghan performance in development.
- c. Coordinated foreign assistance.

The basic ideas behind these concepts are not new. They have been discussed before but not in the context of overall USG and Mission policy guidance or in terms of their potential application to every United States action. The invariable consideration of the first two recommendations in every American program is feasible. In many instances such consideration could increase the value of individual USG efforts to the achievement of overall United States goals.

Application of the third recommendation would be more complex and would require careful consideration of its effect on American long term goals.

It should be pointed out that this presentation makes no attempt to detail the applicability of any or all of these concepts to individual present or future programs. Should these recommendations be adopted, each current and proposed program would require special analysis to determine whether use of the concepts would contribute to pursuit of American interests.

2. Recommendation One: That the United States strongly and specifically consider the political purpose and implications of every course of action in Afghanistan.

In light of the conclusion that the United States has only an indirect regional interest, there should be a strong political rationale for every American action. Lest this statement appear excessively severe or even cynical, it should be pointed out that programs to help the country reach economic and political viability specifically meet the primary US policy objective. United States actions and programs however should always include in their conception, planning and execution careful attention to their precise short and medium term political

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consequences. Clearly this recommendation carries with it the criticism that in some instances U. S. programs have not had sufficient attention to political content.

Application of this concept would be carried out by the specific inclusion in program justifications of detailed political analysis and conclusions. In some cases, the result could be that lack of political benefit or potential political damage could override favorable conclusions by other standards. In other instances, political returns could justify approval of a program when other benefits might be neutral or negative.

The invariable injection of specific political judgment into planning and execution would result in more comprehensive and tightly reasoned action decisions which in turn would more effectively contribute to achievement of United States policy objectives.

Recommendation Two: That the United States should consider, and where desirable

apply, a principle of credible firmness to every course of action and program in Afghanistan.

Following roughly twenty years of extensive foreign aid, the main reason for Afghanistan's poor results so far has been the failure of the Afghan leadership to respond with essential decisions and to marshal adequate human, financial and natural resources. In the future, presentation, negotiation, or re-negotiation of U. S. foreign assistance or other programs involving commitment of U. S. resources should include clear, internally feasible standards of performance against reasonable time limits. The Afghans should be specifically advised that unless adequate resources are devoted to a given project or program, the U. S. Government will reduce or stop its own commitment.

Application of credible firmness will depend on various, often political considerations. For political or other reasons, the USG may believe a project has sufficient merit to follow through with its commitment even without adequate Afghan response.

Better Afghan performance could result if precise criteria for performance against dead lines were set for the RGA at the beginning of a program. The word, "credible", must be stressed. If U. S. Government negotiations tell the RGA that assistance will be reduced or stopped following insufficient Afghan input, they must be prepared to follow through, no matter how inconvenient and painful such action may be.

Recommendation Three: That the United States actively seek RGA initiative and

donor commitment, including from the USSR, toward achievement of working coordination of foreign assistance to Afghanistan.

Afghanistan's peculiar political circumstances have permitted it to balance off the major foreign aid donors with the result that projects have been undertaken that waste resources through ostentatious cold war display, overlap, or lack of collaboration on problems that might be attacked through joint efforts.



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promote a multilateral approach. The potential necessity for rescheduling of Afghanistan's external debt could be the starting point and a formal working aid consortium could be the ultimate objective.

Planning and execution of this recommendation would include the major concepts introduced earlier in this section, i. e., sector by sector analysis to determine applicability, specific political consideration, and credible firmness. Each of these three principles should now be seen in a multilateral context.

There are several conceivable approaches to such coordination.

The ideal situation would be decisive commitment to development by the leadership. This would be followed by abandonment of the often wasteful and short-sighted balancing approach to foreign assistance and by a specific RGA approach to donors to increase and coordinate their assistance in response to the RGA initiative.

A second tack could be an initially informal collaboration among donors, including the Soviets, to coordinate, where politically possible, foreign assistance programs. A joint approach could be made to the RGA to elicit better development performance with a promise of greater foreign input. Were this approach to be rejected by continuation of the Government on its present negative course, the donors could consider joint application of the credible firmness principle.

A third alternative would be coordination and cooperation among the western multilateral and bilateral donors; again on a sectorally selected, initially informal basis. This is a less attractive alternative since absence of the Soviet Union would protract the confrontation nature of aid and would weaken the potential for combined leverage on the RGA.

A fourth possibility would be in increased ad hoc coordination of individual projects, where possible including the Soviets. The objective would be to achieve institutionalized cooperative effort in one or two specific development sectors such as livestock or public health.

The foregoing recommendations are based on several assumptions for which we do not have sufficient supporting evidence. The first is that the Afghan leadership has the potential to adopt an overriding commitment to economic and social development which, should it become the policy of the King and ruling group, would effectively cancel the present low risk, balancing philosophy of government. Another assumption is that the major donors, especially the USSR and the United States, are sufficiently impatient with Afghan performance over the years and share some common development objectives. This implies that there is enough common ground among the donors to facilitate effective working coordination at the program and technical levels. Another assumption is that the Soviet Union and the United States could set aside or postpone long-term ideological confrontation and political competition to allow cooperation toward relatively short-term economic development goals.

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Inter alia

two factors argue for such coordination. First, at the present flat rate of RGA performance and declining rate of assistance input Afghanistan will not for the foreseeable future achieve the primary United States objective of economic self-sufficiency. Second, time is running out. A rapidly reversing capital flow and political exhaustion of the Experiment in Democracy combine to leave very little time for real development progress. Failure could bring on total political dependence, domestic anarchy, or Afghanistan's break-up as presently constituted.

United States efforts toward foreign assistance coordination, especially at Afghan initiative and with Soviet participation, would be difficult and risky. But given the relatively low political stakes involved for the major powers and the prebable

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ultimate failure of Afghanistan's national development at the present performance rate it could be worth the effort.

In global or even regional terms, there is not much to lose. For Afghanistan there would be much to gain.

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MEMORANDUM

TO:

FROM: The Ambassador /S/

SUBJ: KANDAHAR POLICY REVIEW

I should like to thank you for agreeing to participate in the review of U.S. policy to be held in Kandahar April 22-25. This is a significant, Mission-wide attempt to reexamine carefully our policies and programs in Afghanistan. Your thoughtful contribution to the discussions to be held will be most helpful in future policy considerations.

With regard to the agenda, I believe that it might well include a substantial foreign policy dimension, as well as issues dealing with U.S. policy towards Afghanistan's internal development requirements. Last year's exercise was weighted on the USAID strategy side and rightly so. However, the results of the Indo-Pak war, the changed relationships between China, the U.S. and the Soviet Union, as well as Afghanistan's new, allegedly more "active" foreign policy stands all suggest to me that we should have a more thorough examination of our foreign policy position in this area as part of the review.

The foregoing suggestions should not, however, constrain you in your deliberations at Kandahar, for in fact directions taken will depend on the composition of the group and discussion leaders.

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Mission Policy Review

Agenda and Schedule

Saturday - April 22

0700	Breakfast
0800	Implications of the Indo-Pak War RGA Internal and External Affairs <u>Speaker:</u> A. Schifferdecker
0815	Evaluation and Definition of U.S. Interests in Afghanistan <u>Reference:</u> Policy Statement <u>Discussion Leader:</u> A. Schifferdecker
1230	Lunch
1330	Evaluation of Afghanistan's Internal Situation <u>Reference:</u> Husick Paper <u>Discussion Leader:</u> Dr. Friedman
1830	Dinner

Sunday - April 23

0700	Breakfast
0800	Afghanistan's External Affairs <u>Reference:</u> Helseth Paper <u>Discussion Leader:</u> D. Cohn
1230	Lunch
1330	Evaluation of RGA Objectives Priorities and Potentials <u>Reference:</u> Cohn Paper <u>Discussion Leader:</u> J. Hawley
1830	Dinner
1930	Evaluation of Assumptions Underlying U.S. Policies and Programs in Afghanistan <u>Reference:</u> Policy Paper <u>Discussion Leader:</u> C. Uyehara

/Monday - April 24

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Mission Policy Review (Cont.)

Monday - April 24

0700 Breakfast

0800 What Changes, if any, Should be made in Present
U.S. Approaches, Assumptions, Policies and Objec-
tives in Afghanistan
Reference: None
Discussion Leader: D. Cohn

1230 Lunch

1830 Dinner

1930 Continuation of Discussion

Tuesday - April 25

0800 Breakfast

0930 Participants depart for Kabul. (Note: Drafting
officers will remain in Kandahar April 25 and return
to Kabul the following morning.)

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